

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Securities Act of Washington by:

WILLIAM BROTHERTON; INTERNATIONAL
BUSINESS CONSORTIUM; their agents and
employees,

Respondents

SDO 57-01

SUMMARY ORDER TO CEASE AND DESIST

Case No.01-06-216

THE STATE OF WASHINGTON TO: William Brotherton
International Business Consortium
6609 South Shields Street
Fort Collins, Colorado 80526

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents, William Brotherton and International Business Consortium, have violated the Securities Act of Washington and that their violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to the investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

I.

International Business Consortium ("IBC") is a Colorado corporation with its principal place of business at 6609 South Shields Street, Fort Collins, Colorado 80526. IBC is attempting to raise money to purchase an insurance company with which to provide workers compensation insurance to employers.

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II.

William Brotherton ("Brotherton") is a Colorado resident with a primary place of residence at 6609 South Shields Street, Fort Collins, Colorado 80526.

III.

Until at least June of 2001 International Business Consortium maintained a website on the World Wide Web, located at [www.members.aol.com/ ht a/biginsure/ppm.html?mtbrand=AOL US](http://www.members.aol.com/ht_a/biginsure/ppm.html?mtbrand=AOL_US). This website provided viewers with information on how to invest with IBC. Viewers were able to download information on the company's business profile and future business goals. Viewers had the ability to read a Private Placement Memorandum.

The Private Placement Memorandum claimed to be raising \$20,000,000 in capital by selling 20,000,000 shares of IBC stock. The stock was to be purchased at \$1 per share. IBC claimed to be raising funds with the goal of purchasing an insurance company. Through this insurance company, IBC was planning to provide workers compensation insurance to employers.

In May of 2001, at least one Washington investor viewed the provided information on the Internet and decided to invest. The investor downloaded the Stock Purchase Agreement, filled it out and mailed the agreement and a check for \$500 to the address in Colorado. The Stock Purchase Agreement indicated that only IBC members or accredited investors would be allowed to invest. For a fee of \$50, to be taken from the \$500 investment, the Washington investor chose to become an IBC member. As of May 31, 2001 there were over 130 investors in 30 different states.

The Private Placement Memorandum guaranteed that an investment of \$5000 would result in the investor becoming a millionaire by June 1, 2002. The Washington investor read that if certain goals were not reached within a certain time period that 75% of the investment would be refunded; the remaining 25% would be kept for administration expenses.

1 The Washington investor was not provided with a prospectus or any disclosures regarding the risk of the
2 investment. There were no financial statements reflecting the financial stability of the company. IBC did not
3 provide data related to the projected returns or income guaranteed in the Private Placement Memorandum.

4
5 IV.

6 International Business Consortium is not currently registered to sell its securities in the state of
7 Washington and has not previously been so registered.

8 V.

9 William Brotherton is not currently registered as a securities salesperson or broker-dealer in the state of
10 Washington and has not previously been so registered.

11 VI.

12 The Securities Administrator finds that the continued offering of stock in International Business
13 Consortium in the manner described in Tentative Finding of Fact Section III presents a threat to the investing
14 public.

15 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

16 CONCLUSIONS OF LAW

17 I.

18 The offer and/or sale of International Business Consortium described above constitutes the offer and/or
19 sale of a security as defined in RCW 21.20.005(10) and (12), to wit: a stock.

20 II.

21 The offer and/or sale of said securities is in violation of RCW 21.20.140 because no registration or
22 notification of claim of exemption for such offer and/or sale is on file with the Administrator of Securities, state
23 of Washington and it appears that the respondent does not otherwise qualify for an exemption from registration.

24 III.

25 SUMMARY ORDER TO CEASE AND
26 DESIST

1 William Brotherton has violated RCW 21.20.040 by offering and/or selling said securities while not
2 registered as a securities salesperson or broker-dealer in the state of Washington.

3 IV.

4 The offer and/or sale of said securities was made in violation of RCW 21.20.010 because there was
5 inadequate information provided to investors to allow the investors to make an informed decision prior to
6 investing; neither prospectuses nor financial statements were provided to investors.

7 V.

8 The Securities Administrator finds that an emergency exists, that the continued violations of RCW
9 21.20.010, RCW 21.20.040, and RCW 21.20.140 constitute a threat to the investing public, and that summary
10 orders to cease and desist from those violations is in the public interest and necessary for the protection of the
11 investing public.

12 **SUMMARY**

13 Based on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED That William
14 Brotherton and International Business Consortium, their agents and employees cease and desist from offering
15 and/or selling securities in any manner in violation of RCW 21.20.140 and RCW 21.20.040, the sections of the
16 Securities Act of Washington requiring registration.

17 It is further SUMMARILY ORDERED that respondents, their agents, and employees cease and desist
18 from violation of RCW 21.20.010, the anti-fraud section of the Securities Act.

19 **AUTHORITY AND PROCEDURE**

20 This Order is entered pursuant to the provisions of RCW 21.20.390 and is subject to the provisions of
21 Chapter 34.05 RCW. The respondents, William Brotherton and International Business Consortium, may make
22 a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND
23 OPPORTUNITY FOR HEARING accompanying this order.

24
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1 If a respondent does not request a hearing, the Securities Administrator intends to adopt the above
2 Tentative Findings of Fact and Conclusions of Law as final and make the summary order to cease and desist
3 permanent as to that respondent.

4 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

5 DATED this _____ day of _____, 2001.

6
7 _____
8 DEBORAH R. BORTNER
9 Securities Administrator

10 Presented by:

11
12 _____
13 Susan Anderson
14 Legal Intern

15
16 _____
17 Suzanne Sarason
18 Senior Enforcement Attorney

19 Approved by:

20 _____
21 Michael E. Stevenson
22 Chief of Compliance

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24
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